

1-1 By: Anchia, Alvarado (Senate Sponsor - Hinojosa) H.B. No. 1888
1-2 (In the Senate - Received from the House May 6, 2013;
1-3 May 7, 2013, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 14, 2013, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 5,
1-6 Nays 0; May 14, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hinojosa	X		
1-10	Nichols	X		
1-11	Garcia	X		
1-12	Paxton	X		
1-13	Taylor	X		

1-14 COMMITTEE SUBSTITUTE FOR H.B. No. 1888 By: Hinojosa

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to low income housing tax credits awarded to at-risk
1-18 developments.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 2306.6702(a)(5), Government Code, is
1-21 amended to read as follows:

1-22 (5) "At-risk development" means:

1-23 (A) a development that:

1-24 (i) ~~[(A)]~~ has received the benefit of a
1-25 subsidy in the form of a below-market interest rate loan, interest
1-26 rate reduction, rental subsidy, Section 8 housing assistance
1-27 payment, rental supplement payment, rental assistance payment, or
1-28 equity incentive under the following federal laws, as applicable:

1-29 (a) ~~[(i)]~~ Sections 221(d)(3) and (5),
1-30 National Housing Act (12 U.S.C. Section 1715l);

1-31 (b) ~~[(ii)]~~ Section 236, National
1-32 Housing Act (12 U.S.C. Section 1715z-1);

1-33 (c) ~~[(iii)]~~ Section 202, Housing Act
1-34 of 1959 (12 U.S.C. Section 1701q);

1-35 (d) ~~[(iv)]~~ Section 101, Housing and
1-36 Urban Development Act of 1965 (12 U.S.C. Section 1701s);

1-37 (e) ~~[(v)]~~ the Section 8 Additional
1-38 Assistance Program for housing developments with HUD-Insured and
1-39 HUD-Held Mortgages administered by the United States Department of
1-40 Housing and Urban Development as specified by 24 C.F.R. Part 886,
1-41 Subpart A;

1-42 (f) ~~[(vi)]~~ the Section 8 Housing
1-43 Assistance Program for the Disposition of HUD-Owned Projects
1-44 administered by the United States Department of Housing and Urban
1-45 Development as specified by 24 C.F.R. Part 886, Subpart C;

1-46 (g) ~~[(vii)]~~ Sections 514, 515, and
1-47 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486);
1-48 or

1-49 (h) ~~[(viii)]~~ Section 42, Internal
1-50 Revenue Code of 1986 (26 U.S.C. Section 42); and

1-51 (ii) ~~[(B)]~~ is subject to the following
1-52 conditions:

1-53 (a) ~~[(i)]~~ the stipulation to maintain
1-54 affordability in the contract granting the subsidy is nearing
1-55 expiration; or

1-56 (b) ~~[(ii)]~~ the federally insured
1-57 mortgage on the development is eligible for prepayment or is
1-58 nearing the end of its term; or

1-59 (B) a development that proposes to rehabilitate
1-60 or reconstruct housing units that:

(i) are owned by a public housing authority and receive assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g); or

(ii) received assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

(a) are proposed to be disposed of or demolished by a public housing authority; or

(b) have been disposed of or demolished by a public housing authority in the two-year period preceding the application for housing tax credits.

SECTION 2. Section 2306.6714, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The department shall set aside for eligible at-risk developments not less than 15 percent of the housing tax credits available for allocation in the calendar year.

(a-1) An at-risk development described by Section 2306.6702(a)(5)(B) is eligible for housing tax credits set aside under Subsection (a) if:

(1) a portion of the public housing operating subsidy received from the department is retained for the development; and

(2) a portion of the units of the development are reserved for public housing as specified in the qualified housing plan.

SECTION 3. The changes in law made by this Act apply only to an application for low income housing tax credits that is submitted on or after the effective date of this Act. An application for low income housing tax credits that is submitted before the effective date of this Act is governed by the law in effect when the application was submitted, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2013.

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